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CURRENT INTELLIGENCE WEEKLY SUMMARY



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PART I

OF IMMEDIATE INTEREST

BERLIN SITUATION

The USSR appears to be marking time pending the receipt of the Western replies to its 27 November notes on Berlin. Moscow is seeking to maintain pressure on the West by underlining its determination to carry out previously announced plans to transfer the remaining Soviet responsibilities in East Berlin to the East Germans and by warning against the dangerous consequences of moves by the Western powers to preserve their position in Berlin by force.

Soviet propaganda on the NATO ministerial meeting stresses the absence of Western counterproposals and alleges that rejection of Khrushchev's plan proves once again that the West is not interested in "normalizing" the Berlin situation or relaxing tensions in Europe. In an interview with the East German press agency on 19 December, General Zakharov, commander of the Soviet forces in Germany, warned that Western resort to military action regarding Berlin could precipitate a global war.

A Soviet Embassy official in East Berlin refused to rule out the possibility that, following the Western replies, consideration would be given to implementing previously announced Soviet plans to transfer control of Allied access to the East Germans. He said the USSR does not consider the NATO communiqué an answer to the Soviet proposal for a free-city status for West Berlin. A Pravda "Observer" article on 20 December declared that

Western refusal to seek agreement with the USSR on Berlin will not deter Moscow from carrying out these plans.

The visit of First Deputy Premier Mikoyan to the United States in early January may shed greater light on the true Soviet position. Mikoyan is described by some European observers as a "suitable person" to prepare an East-West "dialogue." Bonn commentators see Mikoyan's trip as specifically relating to Berlin and as a possible prelude to a modification of the "ultimatum" character of Moscow's 27 November note.

East German Tactics

The East Germans are attempting to intimidate Berliners who work for the American, British, or French missions. Office employees and servants employed by the Western powers have been contacted in person or by letter by East Germans who have made ominous statements concerning their future. Some Germans have indicated their intention to resign their positions with the French mission after Christmas. Shopkeepers near the city sector border were approached by East German agents immediately prior to the recent elections and asked to make their premises available for Communist party political meetings. Upon refusal, they were threatened by the agents, who ostentatiously placed their names in a book for "future reference."

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An East Berlin paper, BZ am Abend, on 6 December carried a front-page article reporting that preparations now were completed by the Allies to evacuate 1,000 prominent West Berliners.

Western Positions

The NATO meeting, which reaffirmed the West's intention to remain in Berlin, had a reassuring effect on Berlin morale.

The opinion was generally expressed in West Berlin that, pending Western countermoves on the broader aspects of the German problem--which the majority of Berliners feel is the only way to deal with this question--the NATO communiqués were all that could be expected. Mayor Willy Brandt told American officials that he was fully satisfied with the Paris meeting.

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MIDDLE EAST DEVELOPMENTS

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Nasir and Iraq

UAR President Nasir has continued his recently initiated campaign against Communist influence in the area. The campaign has consisted so far of press and radio statements warning of the dangers of deviating from the "Arab caravan," of efforts by the UAR censorship authorities to crack down on Communist-line papers in the Syrian region of the UAR, of the circulation of inspired rumors in Baghdad and other Arab capitals, and of public statements by Nasir himself. His strongest attack was made in a speech on 23 December when he denounced local Syrian Communists for obstructing the progress of the UAR.

In Iraq, Prime Minister Qasim continues to rely primarily on the Communists for support. Pro-UAR nationalist leaders, who are generals without armies since the Nuri Said regime eliminated their contacts with the people, do not yet appear to have organized for any action. They are probably relying on the possibility of

army action against Qasim,

Arab-Israeli Incidents

Arab and Israeli forces remain alert to possible new incidents, but there have been no further repercussions to the latest serious clash in the air over the Sinai-Israeli border. Israeli sources assert that their aircraft reacted in

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response to repeated violations of the border by UAR MIGs and to previous reconnaissance missions by what are presumed to have been UAR IL-28s. The Israeli account of the action, in which the Israelis claim one UAR aircraft as a "sure" casualty and another as "probable," indicates that the Israelis lured the MIGs into a trap, again demonstrating what is believed to be superior Israeli training and tactical ability. New clashes, on both ground and air, are likely.

Lebanon

Political tension revived in Lebanon last week as the result of army action against a village near the Syrian border where local citizens, who had been pro-rebel in the civil strife last summer, killed three army personnel. Moslem poli-

ticians have hastened to denounce the army's subsequent attack on the village with artillery and aircraft, and the Moslem members of the cabinet have attempted to shift the responsibility to the Christian members and to President Shihab. The "Popular Resistance," a paramilitary arm of the Moslem National Front, has circulated a leaflet demanding that the government break up the training camps of the Social National party, which has strongly supported ex-President Chamoun. The government has offered an indemnity to the villagers, but the Moslem leaders appear determined to extract the maximum political capital from the affair and have rejected the offer. The developments are symptomatic of the state of tension which may arise if, as some Moslems have envisaged, new parliamentary elections are held next spring.

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PART II

NOTES AND COMMENTS

SOVIET PARTY CENTRAL COMMITTEE PLENUM

The Soviet party central committee plenum which met from 15 to 19 December centered its attention on a review of agricultural policy during the five years of Premier Khrushchev's command of the party. Claiming great successes for his policies and calling for a vigorous new push on the agricultural front, Khrushchev also used the plenum as a platform for a renewed blast at the "antiparty group" of Malenkov, Molotov, Kaganovich, Bulganin, and Shepilov. Bulganin was forced to confess to sins against the party and to pay humble tribute to Khrushchev's leadership. There is no indication, however, that the central committee took further action against the defeated faction at this session.

Despite the appearance of firm control on the part of Khrushchev, his quest for a new testimonial to his leadership at this time may indicate he feels the need for fuller support for his present international objectives and his domestic goals, including the impending educational reform and the Seven-Year Plan to be adopted at the party congress in January.

The plenum, planned over a month ago, appears to have been timed to enable Khrushchev to use this year's record harvest to back up his claims of success. The plenum was announced and fully reported while still in session--a break in precedent--and numerous officials, both high and low, were paraded before the committee to speak in praise of Khrushchev's agricultural policies and to denounce his opponents.

It was clear that Khrushchev wanted the lessons of the meeting driven home with full force.

Khrushchev's opening speech catalogued the achievements of his administration in agriculture which, he emphasized, had been successful over the opposition of the "antiparty group." The "despicable group of wretched splitters," he charged, had had no understanding of agriculture and had opposed nearly every major policy in that sphere sponsored by Khrushchev since Stalin's death. The Soviet premier hinted at some further steps against them, such as expulsion from the party, by saying that "the tongue refuses to call such people 'comrades' even though they have remained members of the party." The plenum closed, however, without any reference to their future.

Addressing the central committee on the fourth day of its session, Bulganin abjectly conceded that everything said about him and his fellow plotters in preceding days was justified. He poured abuse on the other members of the group, admitted he had been its "nominal" leader, and said that in his present post as chairman of a provincial sovnarkhoz he had come to "see the genius-like character and wisdom of the policy of our party and its central committee."

Khrushchev's opening and closing speeches, as well as the central committee decision issued at the end of the session, restated the USSR's objective of overtaking the United States in per capita agricultural output and called

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for determined efforts to achieve this through organizational and operational improvements, including extensive removals of laggard farm leaders if necessary. The statements reaffirmed that collective farms are basic to the Soviet system but envisioned their eventual transformation into a "higher socialist form" through the expansion of communal facilities, the gradual "voluntary" sale of privately owned livestock to the farms, and the abandonment of private plots in favor of communal vegetable growing.

Although Khrushchev has secured from the plenum resounding approval of his agricultural policies and renewed condemnation

of his enemies, the content and timing of the plenum, the continuing absence of a successor to police chief Serov, and the decision to dispatch First Deputy Premier Mikoyan to the United States suggest that there may be a defensive element in Khrushchev's present position. The American Embassy in Moscow, while doubting that Khrushchev is facing concerted opposition, considers it likely that his various programs have antagonized a number of highly placed individuals. In that event, the denunciation of the "antiparty group" could have been a form of intimidation. (Continued in by ORR)

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PEIPING INSISTS ON ANOTHER "GIANT LEAP" IN 1959

The central committee of the Chinese Communist party has confidently announced its determination to achieve another "giant leap forward" in economic development in 1959. It has clearly based next year's economic plan on the high production claims for this year, which, at least in agriculture, seem to have been grossly exaggerated for propaganda purposes. The committee urges the nation to "go all out and aim high," but it injects a minor note of caution by insisting that economic work in 1959 should "conform completely, or as nearly as possible, to reality."

The central committee, in its recent plenum in Wuhan, decided that this year's "giant leap forward" was an "unprecedentedly great success" and gave its stamp of approval to some of the extreme claims which have been advanced in connection with the leap. Some of these claims, for example, stated that the gross value of industrial production increased more in the

single year of 1958 than it did over the entire period of the First Five-Year Plan (1953-57), and that the output of steel, coal, grain, and cotton doubled and that of machine tools trebled during the year. Some of these assertions, particularly those relating to agriculture, are

COMMUNIST CHINA
PRODUCTION CLAIMS AND TARGETS
 (MILLION METRIC TONS)

	1957	1958	1959
STEEL	5.35	11	18
COAL	130	270	380
GRAIN	185	375	525
COTTON	1.64	3.35	5

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generally not believed outside the bloc.

The party is clearly determined to press ahead to another leap in 1959. The central committee communiqué says that the rich experiences gained along the "triumphant road" of 1958 open the possibility of an

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even greater leap next year. Production increases outlined in the communiqué--while only about half as great as those claimed for this year--are still exceptionally ambitious.

The central committee not only set the fantastic goal of producing 525,000,000 tons of grain--which approximates 60 percent of the rest of the world's grain production in 1957--but also endorsed a scheme to reduce cultivated acreage on marginal and hilly land "where local conditions permit," while increasing the proportion of acreage sown to technical crops. Agricultural goals are to be met by carrying out farming with the "finesse of gardening" and through further mechanization and electrification in rural areas. Both light and heavy industry are to be developed with great speed during

1959, with the iron and steel industry as the "key link." Policies introduced this year of simultaneously developing large, medium, and small enterprises and employing both modern and crude methods of production will be continued.

For the first time in many months, the party struck a note of caution and sobriety--albeit a minor one--concerning economic planning. It said that too much "socialist zeal" had often led to exaggeration of successes and concealment of shortcomings. Leading personnel were told to be good at "differentiating between real truth and false appearances." The general tone of the party's communiqué, however, made it clear that the party itself was not paying close attention to its own counsel.

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(Prepared by ORR)

CHINESE COMMUNIST PARTY DECISION ON COMMUNES

Peiping's statement on the commune program, issued on 18 December, following a central committee meeting in Wuhan from 28 November to 10 December, makes clear the regime's intention to continue along the broad lines laid down in August by the politburo. The resolution, however, indicates that practical problems encountered during the development of the communes, especially in the cities, have forced a softening of some of the more extreme features. This step appears to have been prompted by popular apprehension. Soviet reaction to the communes--especially to the theoretical implications of communalization and its effect on Eastern Europeans--has been unfavorable, and the very bad Western and

Yugoslav press has threatened to undermine Peiping's relations with uncommitted countries.

The change of pace follows Mao Tse-tung's usual practice of moving ahead rapidly in a new development and then pausing to resolve problems and consolidate gains. This pattern was clearly evident in the collectivization drive of 1955 and earlier major programs in the countryside.

The resolution blamed the excesses of the commune program which are now being modified or suspended on misunderstandings or "incorrect" ideas of overzealous party members--although many of these ideas were certainly encouraged by party leaders themselves during

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September and October. Mao and other senior party leaders, such as Liu Shao-chi, Teng Hsiao-ping, and Tan Chen-lin, must have condoned, if not encouraged, the impetuosity of local cadres during their numerous inspection tours of the new communes this past fall, but there is no suggestion that the criticism is directed at specific party leaders.

The resolution provides extensive guidance to the teams of party and army cadres which have already begun a full-scale investigation of rural communes. It details for the first time what the party leadership regards as good and permissible and what it regards as bad or premature. Through these investigations and an accompanying program of "education," the regime expects to "tidy up" rural communes by next April.

The resolution chides certain cadres who have been "good-hearted" but "overeager" and orders the softening of some of the more objectionable features of the movement to date. While reiterating the party's determination to abolish the old patriarchal family system, the resolution insists that families be permitted to live together in the new communal housing and that parents be permitted to decide whether their children shall live at home or board at the new communal nurseries or schools. Possessions such as houses, bedding, furniture, clothing, bank deposits, and funds remitted from abroad or within China are to remain as private property.

The central committee emphasizes the need to avoid dampening the production incentives of the peasants. The time is not ripe in China, it says, to replace the wage system entirely with the "free-supply"

system of payment. On the contrary, wages are to remain the main form of remuneration for some time to come, although the "free-supply" system will continue to be used. Hope is expressed that wages for 90 percent of the members will be increased annually.

The peasant's need for adequate rest is officially recognized. The resolution directs that an eight-hour day be the rule except during busy seasons; in any season, eight hours' sleep and four hours for meals and "recreation" must be guaranteed.

On the knotty problem of allocating a commune's income, the resolution offers little in the way of practical advice beyond the pious hope that both the reserves accumulated and the funds distributed to members should be increased yearly. Communes are instructed to emphasize industry but are warned that it should in general be self-supporting and closely linked to the demands of agricultural production, as well as to the mechanization and electrification of agriculture. The resolution also notes the continuing need for commercial exchange among the communes and between the communes and the state. Such trade is required, for example, in order for the communes to obtain funds with which to pay members. Money will play a "positive role" in the communes for some time to come.

Statements in the resolution on urban communes confirm earlier judgments that this phase of the movement ran into difficulties in the large cities. Emphasizing that urban areas are far more complex than rural, it acknowledges that "bourgeois ideology" is still prevalent in certain urban circles. Therefore, except

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for necessary preparatory work, establishment of communes on a large scale in big cities is to be postponed until the "skeptics and doubters" have had a chance to overcome their misgivings. The central committee's intention ultimately to establish urban communes is affirmed, however.

Reflecting Peiping's sensitivity to Soviet disapproval of Chinese statements implying that Communism is close at hand, the resolution warns against the "utopian dream of skipping

the socialist stage" and declares that the "building of socialism" alone will take "15, 20, or more years." It specifically denies that communalization is to be equated with the change from socialism to Communism and stresses that without a "high degree" of industrialization and mechanized and electrified agriculture, it is "impossible" to talk about Communism. Implications that the communes might have significance beyond China are avoided.

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BLOC ECONOMIC INTEGRATION ENTERS NEW PHASE

The Soviet bloc Council for Mutual Economic Assistance (CEMA), following ten years of ineffectiveness, has been given greater authority to bring about the eventual integration of the economies of the member countries. Measures approved by the tenth plenary session of CEMA, the second this year, held in Prague from 11 to 13 December, will give effect to Khrushchev's suggestion last May to East European political leaders that action be taken toward closer economic cooperation.

The plenum devoted considerable attention to the long-distance pipeline from the Urals-Volga oil field to Eastern Europe which would simplify oil deliveries to East Germany, Poland, Czechoslovakia, and Hungary. Planning is apparently well advanced. In conjunction with these provisions to increase deliveries of oil, which will provide a basis for petrochemical industries, CEMA also agreed to "new cooperative measures" for producing plastic

materials, synthetic rubber, chemical fibers, and fertilizers. This program apparently is to complement Moscow's \$25 billion program for expanding the USSR's chemical industry during its Seven-Year Plan, beginning in 1959.

The council also considered a report from its ferrous metallurgy commission on cooperation in the construction of steel rolling mills in member states.

The council's examination of "practical measures with a view to furthering specialization" suggests that progress on the preparation of detailed member country economic plans through 1965 was discussed. These plans and general economic objectives up to 1975 are to be submitted to CEMA early in 1959, but it is likely that the assignment of specific responsibilities to individual member countries --the bloc's specialization plan --will be limited at first to a few selected industrial activities, with emphasis on new capacity rather than on the transfer of existing production.

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National economic interests will continue to hamper specialization efforts, and present "assignments" to individual members apparently are being made in fields such as the petrochemical industry, in which no satellite country now has a large vested interest. The efforts of CEMA working-level commissions since mid-1958 to prepare realistic and well-coordinated proposals may have impressed the satellite regimes that their interests can in fact be significantly served by further cooperation and specialization.

There continues to be little evidence of willingness to reduce or abandon present production in the interests of specialization, but its application to the development of new industrial facilities is becoming recognized as vital. Czech economists have pointed out in press statements the advantages of mass production and the increased production at lower cost that can be achieved by reducing the assortment of models or types produced by any single industrial facility.

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CZECHOSLOVAK ACTIVITY IN BOLIVIA

Bolivia's serious economic and political difficulties, which include a sharp drop in foreign exchange earnings in 1958 and continuing labor dissension, are being increasingly exploited by the Czech Legation in La Paz, the only bloc mission in the country.

The Bolivian Government's formal agreement on 3 December to hire five Czech petroleum geologists reflects an increasing receptivity to the possibility of bloc aid for petroleum development, the one encouraging segment of the Bolivian economy. Bolivian officials have stated that the Soviet Embassy in Argentina has offered large-scale assistance for oil development and that Bolivian public opinion favors such proposals as the one drafted by Rumania in the UN for international cooperation in oil development.

Bolivia's recent acceptance of five five-year scholarships in Prague apparently illustrates the ease with which the govern-

ment's administrative disorganization can be exploited. Although Bolivian President Siles and his foreign minister--who are both strongly pro-US--had stated unequivocally that the Bolivian Government's official policy was to reject the Czech scholarships, the government party newspaper on 30 November published the names of five grantees.

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The Czech Legation

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is not only supplying substantial funds to Communist labor leaders--who oppose the Siles government--but is also flooding union reading rooms with Communist books and pamphlets, has supplied one union with a movie projector and Communist films, and has launched a massive program for many labor

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 leaders involving travel to the Soviet bloc.

The legation has shown its interest in the Bolivian Communist party by such activities as giving advice on electoral tactics and allotting a dealership for Czech printing presses to party leaders.

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THE FRENCH POLITICAL OUTLOOK

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 Immediately after Charles de Gaulle is formally proclaimed first president of the Fifth French Republic on 8 January, he will probably name his successor as premier so the new government can present its program at the National Assembly's special mid-January session. De Gaulle's ability to cope with the "Gaulist" Union for the New Republic (UNR) will depend on his initial choice of key UNR members to be shifted from the assembly to the cabinet.

De Gaulle's choice for premier is probably limited to a few UNR leaders.

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 The Socialists will face considerable difficulty in building up a democratic opposition to the new government. Popular Republicans are likely to support the new government on a regular basis, and the fragmented anti-Gaullist left does not seem ready for a "loyal-opposition" role. Long-standing internal strains in the Independent party--second largest group in the assembly--are threatening to reduce the influence of the traditional right. If Finance Minister Antoine Pinay continues in the cabinet, he will have to quit the assembly, leaving party leadership to Roger Duchet, who is bitterly hostile to cooperation with the Socialists.

In view of the new constitutional provision requiring a member of Parliament to resign if he accepts a cabinet post, some deputies may be reluctant to exchange a five-year sinecure for the uncertain tenure of the first cabinet. De Gaulle might consider a civil servant like Housing Minister Pierre Sudreau for premier. Such a choice, however, would complicate the rapprochement between premier and Parliament which appears necessary to ensure a smooth initiation for the new system.

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PART III**PATTERNS AND PERSPECTIVES****SOUTHEAST ASIAN REACTIONS TO PEIPING'S COMMUNE PROGRAM**

Overseas Chinese communities throughout Southeast Asia--and local governments to a lesser extent--have reacted with general disapproval to the communalization of Communist China and the changes it is bringing to Chinese society.

Probably the strongest Overseas Chinese reaction to Peiping's programs will be an increased tendency to seek assimilation by taking local citizenship.

Philippines and Indonesia

In the Philippines, Chinese remittances to the mainland have dropped

and the Chinese community there is sharply increasing its donations to Taiwan development projects, even though there is almost no expectation of repayment. Of equal significance is the apparent rejection of Peiping by Philippine Chinese as spokesman for their interests. The Chinese community probably would no longer turn to Peiping for support, but would seek other means of protesting any Philippine discrimination.

The position of the Chinese in Indonesia is in marked contrast to that of the Philippines, as pro-Taiwan Chinese have almost no standing and only the Chinese Communist Embassy can officially speak for the community. All Chinese in Indonesia, nevertheless, are reported unhappy over the destruction of family life on the mainland, even though they know few details. Prime Minister

Djuanda, in an interview with American congressmen, recently asserted that Indonesia could never accept the disruption of family life brought about by the Chinese program. More recently, former Vice President Hatta declared communes unsuitable for Indonesians, "who uphold highly man's dignity and family life." It appears that the mainland developments have caused some second thoughts on Sukarno's concept of "guided democracy," which was in large part inspired by his trip to the mainland in 1956.

Mainland Southeast Asia

The position of Chinese communities on the mainland of Southeast Asia falls between the extremes of the Philippine and Indonesian patterns, although their reactions have been nearly identical. In Thailand,

the position of Taiwan adherents appears to have improved.

In Burma, although local political developments dominate both Chinese and Burmese thinking, such Chinese responses as have appeared vary from dismay of older Chinese at the demise of traditional society to marveling curiosity of the younger Chinese at Peiping's ability to remodel the whole way of life of 600,000,000 persons. It seems probable that the net impact of Peiping's policies, while increasing Sino-Burmese border tensions as tribal groups flee from Chinese authorities, will be the diminution of mainland ties and an acceleration of the relatively easy assimilation of Chinese into Burmese society.

The response of Chinese in Malaya and Singapore,

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have been minimal. Local political developments in both areas dominate Chinese thinking, and Chinese community leaders in Kuala Lumpur have studiously avoided discussions of Chinese mainland issues. The Chinese community, although torn by its cultural loyalty to China, has been inclined to go along with the government's firm anti-Communist position, although there are signs of growing opposition. The recent mainland developments will probably increase the pressures for Malay-ization of the Chinese community politically. In Singapore, the clearest indication of Chinese reaction has come from the left-wing Chinese press, where a local distaste for the communes is reflected in an increasing number of defensive articles.

Laos, Cambodia, and South Vietnam present similar pictures. The Chinese of Laos are reported fairly familiar with developments in Communist China, and the information on Communist communes has seriously shaken pro-Peiping loyalties, while the anti-Communist programs of both the Laotian Government and that of neighboring Thailand have encouraged pro-Taiwan groups. Also helpful to the anti-Communist Chinese is the prospective opening of a Chinese Nationalist consulate in Vientiane.

Cambodian Premier Siha-nouk's recent recognition of the Chinese Communist regime and the closing of the Nationalist Consulate were closely

followed by accelerated acceptance of Peiping's leadership by Cambodian Chinese. This trend probably will continue as long as the Cambodian Government cultivates its close relations with Peiping. Alone among Southeast Asian governments, Phnom Penh has given semiofficial endorsement to the communes, calling for "sympathy" and approval of Peiping's goals of raising production and the standard of living. The reports from the mainland, however, and the markedly critical accounts of Cambodian Chinese who have returned from visits, have, at least temporarily, slowed this trend. The Chinese community is reported to be divided 35 percent pro-Peiping, 15 percent pro-Taipei, and 50 percent uncommitted.

In Saigon, where the government has continuously opposed the Peiping regime, the Chinese community has on the whole followed official policies. Chinese community leaders are reported horrified by the impact of communes on the society they knew. The degradation of ancestral rites and the reported use of human bones for fertilizer are viewed with revulsion.

Despite the apparent decline in Peiping's popularity resulting from the commune program, there is likely to be no widespread revitalization of loyalties to Taipei. Rather, Overseas Chinese are likely to identify themselves more closely with their countries of residence.

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NEW SOVIET CENSUS

The USSR's fourth all-union census--the first since 1939--is scheduled to take place in January 1959. All Soviet citizens both inside

and outside the USSR will be registered on census lists to determine the size and composition of the population, long a controversial estimate in

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Soviet economics. While the actual canvass will last only eight days, preparations for it have been under way since 1957 and evaluations of the results will not be complete until sometime in 1960.

Statewide administrative control is under the Central Statistical Administration, but the tremendous job of door-to-door inquiry and the tabulation of collected information will be done by more than a half million workers. The census results will be used as a basis for planning the development and distribution of manpower resources throughout the various branches of the economy and will almost certainly be given wide publicity for propaganda purposes.

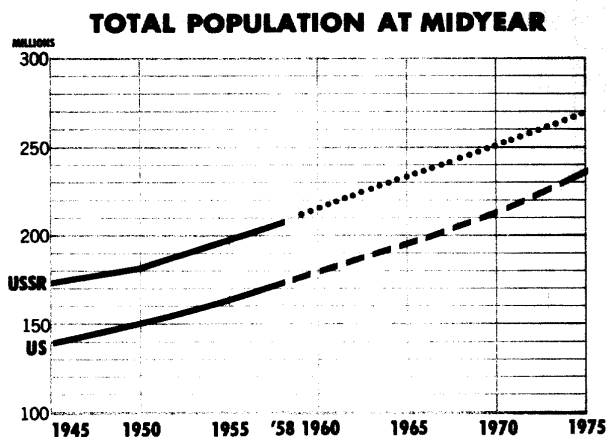
History of Soviet Censuses

The first Soviet census took place in August 1920 in conjunction with a survey of agricultural resources and industrial establishments. The main purposes of the census were to assess the damage done by World War I and the civil war and to establish a statistical base for calculations involved in rebuilding industry and agriculture. At that time the population count was placed at 134,200,000. The next census, taken in December 1926, showed that the population had risen to 147,000,000; by the third census, January 1939, it stood at 170,600,000.

The composition of the population had also changed. In 1926 there were 26,300,000 persons registered as urban and 120,700,000 as rural, while

the kolkhoz population represented less than 1 percent of all peasants. By 1939, after ten years of forced industrialization and collectivization, the urban population accounted for 49.7 percent of the total, and the kolkhoz and artels 46.9 percent. Private peasants represented only 2.6 percent and those who claimed no employment status only .04 percent.

World War II eliminated the validity of all prewar projections of Soviet popula-



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tion, and all postwar estimates must be considered as only approximations. Even the Soviet statistical handbook estimate of 200,200,000 in April 1956 appears doubtful. Soviet demographers recently have acknowledged that this figure, which is based primarily on birth, death, and residential registrations, is somewhat low. Nevertheless the estimates do indicate that Soviet war losses were evidently much higher than previously estimated. They totaled almost 40,000,000, of which almost half was accounted for by the decline in births. During the war years and probably until 1947 the USSR experienced net losses in population, and the immediate

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prewar rate of increase was not attained until 1949.

Other important changes have occurred since the 1939 population census. The USSR acquired 20,000,000-25,000,000 people in the annexed territories. As a result of these acquisitions and subsequent industrialization, the USSR added 843 new cities and 973 new urban settlements between 1939 and 1956 alone. In addition, significant population shifts have occurred, with hundreds of thousands of persons migrating to the new-lands area and the Far East.

Calculations based on the Soviet 1956 population estimate show that the gap between the size of the Soviet population and that of the United States will decrease somewhat in the next 20 years. The Soviet manpower deficit is probably more severe than had been thought in Western circles and will continue until the mid-1960's.

Organization of Census

Formal preparations for the census took place at the All-Union Conference of Statisticians in June 1957. The interviewing for the main census will begin on 15 January 1959 and extend through 22 January. The enumerators are to canvass all adult members of the population. Later, from 23 January through 1 February, instructor-controllers will confer with the enumerators to check for omissions and repeats.

Over 600,000 persons will take part in the census, including over 470,000 enumerators, about 100,000 instructor-controllers, and over 25,000 census department heads and their assistants. The majority of the census personnel will be temporary employees and

will receive a special allowance in addition to the wages from their regular jobs.

The actual time for the census was chosen carefully. The year conforms to recommendations by the UN Statistical Commission; the month and day represents the least mobile period for the Soviet population, since the winter holidays will be over and the weather will discourage travel.

In many of the more inaccessible mountainous and Arctic regions, the census is either under way or completed, being scheduled in parts of Irkutsk Oblast in July and August, on the Kuril Islands in September, in Magadan Oblast in November, and in Kamchatka in December.

Census Questions and Use

The census will provide information about the population of the USSR as a whole and its administrative subdivisions. The census is expected to show the distribution of the population throughout the branches of the national economy and by geographical areas, as well as the proportion of urban and rural populations. This information is required to appraise the distribution of manpower resources. Growth projections derived from the census data may be used in planning for housing, schools, and commercial outlets. Alterations of the administrative-territorial divisions and the organization of constituencies and electoral districts may also be based on this data.

Several questions on the census form are fundamentally different from those asked previously. Illiteracy, which used to be handled separately, is now combined with the question on education, reflecting the official attitude that the problem of illiteracy has been essentially solved in the USSR.

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QUESTIONS TO BE ANSWERED ON FORM FOR FORTHCOMING SOVIET CENSUS

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|---|---|
| <p>1 Relationship to head of family?</p> <p>2 If the permanent resident is temporarily absent, so indicate and show length of absence.</p> <p>3 Temporary resident, indicate:
 (a) Place of permanent residence
 (b) Length of absence from permanent residence</p> <p>4 Sex?</p> <p>5 Age?</p> <p>6 Marital status?</p> <p>7 Nationality?</p> <p>8 Native language?</p> <p>9 Citizen of which country?</p> <p>10 Education: High, but not completed; intermediate--specialized; intermediate--general; 7-year schooling; primary. Persons 9 years of age or older, without primary schooling, and not currently studying, indicate: "able to read and write"; "able to read only" (state language); or "totally illiterate;"</p> | <p>11 Students, indicate full name of educational institution currently attending (institute, technical school, school, college) and state courses studied.</p> <p>12 Place of work (name of enterprise, kolkhoz, institution)? If employed in own establishment or enterprise, so indicate.</p> <p>13 Occupation (position) at above place of work?</p> <p>14 If without occupation as source of income, state means of livelihood.</p> <p>15 Social group:
 Wage and salary workers
 Collective farmers
 Handicraftsmen, members of cooperatives.
 Individual farmers
 Handicraftsmen, not members of cooperatives
 Individuals of free professions
 Clergy
 Unemployed</p> |
|---|---|

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Questions on unemployment have been incorporated into a question on source of income. Ostensibly this is to locate home and family workers, pensioners, and other dependents with labor capabilities, but it is also intended to ferret out those whose income is derived from speculation and other "antisocial" activities.

Nearly all questions have been designed to assist economic planners in gaining a better control over labor resources. Questions on permanent and temporary residence are to locate habitual drifters--a continuing problem despite decrees calling for stricter enforcement of recent passport limitations which make it more difficult to move from one city to another without properly notifying the police. The question on sex along with that on

place of work is expected to help determine the work reserves represented by unemployed women. The question on occupation is intended to discover the professional characteristics of the population and to bring to light new occupations as well as record the disappearance of old ones.

The data from many questions may be extensively used in propaganda. Achievements in education will be lauded, as will the appearance of full employment and the reduction of hard labor in many occupations. The question on nationality may be used to advertise the favorable treatment of non-Russian groups in the USSR. However, since an individual may, for example, describe himself as a Georgian even though he is not a native of Georgia, the figures will cast little light

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on the actual status of minorities.

Propaganda based on the census will probably attempt to show the world the advantages of the socialist over the capitalist economic system and the superiority of planned economic development over "production anarchy."

Final Reporting

Preliminary results of the census must be presented by the

Central Statistical Administration to the Council of Ministers before 25 April 1959. This report is to contain information about the size of the population divided by sex and urban or rural location. The government expects to receive data on all of the 15 questions before the end of the year, and in 1960 a full report will be made based on "deep research" into all the material collected.

(Prepared by ORR)

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EUROPEAN UNITY: THE CURRENT OUTLOOK

Several developments since the formal inauguration of Euratom and the Common Market last January have improved the outlook for Continental political and economic unity. French-German amity has been placed on a more solid footing, pro-European sentiment has proved stronger than anticipated in France, and the Common Market has thus far survived the potentially disruptive dispute over the Free Trade Area project. Despite internal frictions and difficult problems which have yet to be resolved with nonmember countries, the potential of the six-nation European community nevertheless appears greater than at any time in its eight-year history.

French-German Solidarity

One important reason for this progress is the increasing amity between France and West Germany--a development which has been particularly striking in the commercial field. Since the European Economic Community (EEC) came into existence, there have been numerous reports of agreements and understandings among businessmen from all the Common Market countries, and these have most frequently involved

French and German interests. Unquestionably these agreements may in some cases lead to restraints of competition in violation of the EEC treaty, but they also point to the specialization of production which may be one of the major benefits of the Common Market.

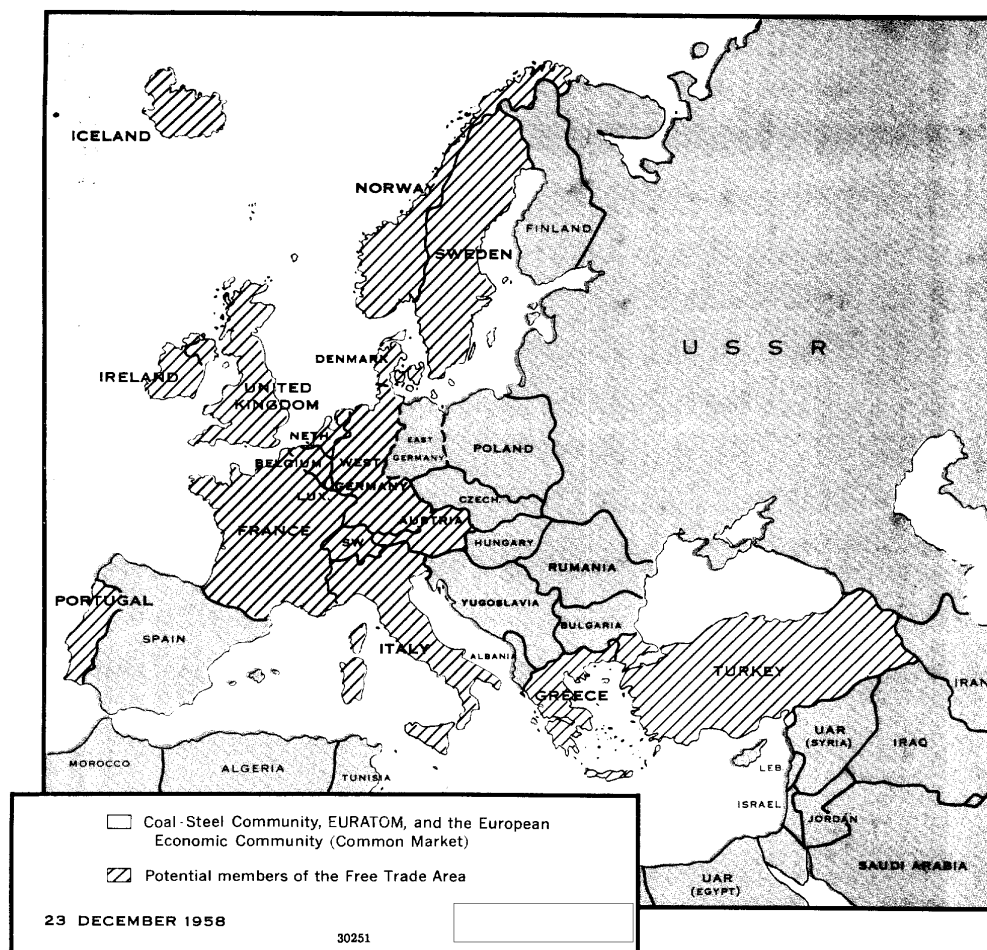
On the official level, French-German solidarity has been symbolized by the two De Gaulle - Adenauer meetings--in Colombey last September and at Bad Kreuznach in November. Adenauer went to Colombey primarily to assure himself that a cardinal principle of his foreign policy--a permanent reconciliation with France--remained valid in the era of De Gaulle. Adenauer was greatly impressed with the French leader. The personal understanding which they reached seems to have survived the chancellor's subsequent annoyance over De Gaulle's bid for a larger French role in the Western alliance, and it appears to have deepened with the later meeting in West Germany.

More specifically, the Colombey and Bad Kreuznach meetings seem to have convinced De Gaulle of the political importance of French fulfillment

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of its first commitments with respect to tariffs and quotas under the EEC treaty. In return, De Gaulle may have received--as has been frequently rumored--promises of German financial support in coping with the burden which the initial plunge into the Common Market will involve for France. And, most important for the future course of the integration movement, the two leaders apparently agreed on the necessity, not only of a common front in facing the problems raised by the Free Trade Area, but also on the importance of increased reliance on Common Market institutions in dealing with them.

France and Europe

Another important factor in the improved outlook for

European unity is the gradual recovery of the pro-European movement in France since the rejection of the EDC treaty in 1954--a recovery which seems to have survived even the outburst of national feeling leading to the collapse of the Fourth Republic. This new French Europeanism--reflecting itself to some extent as an insistence on French leadership of an integrated Europe--is evident in particular in the reversal of conservative attitudes toward the Common Market.

The initial hostility toward the EEC from French business interests represented by the Patronat--the employers' association--has rapidly evolved during the past year in the direction of increased acceptance of the desirability

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of a bigger outlet for French industry and growing optimism over France's competitive position. Indicative of how far this trend has gone, it is reliably reported that the Patro-
nat has even cautioned De Gaulle against pressing his bid for a larger role in the Western alliance lest this offend the West Germans and jeopardize anticipated "profitable arrangements" under the Common Market.

It is perhaps too early to suggest, as some have, that De Gaulle himself has been "converted" to the supranational principles for which the EEC stands, but he too is more receptive toward the European Community now than when he assumed power last June.

must be reconciled, have frequently deferred to the views of the commissions and have generally shown a collegial spirit which a year ago seemed unlikely. Even the assembly, whose powers under the treaties are comparatively small, is emerging as an important European forum. In contrast with the sterile discussions of the Council of Europe, its debates are exercising a real influence in the developing policies of the communities.

This organizational progress has been a major factor in the important substantive advances of the two communities during the past year. The Euratom Commission, although handicapped by the illness of President Armand, played a large part in the successful conclusion of the difficult negotiations on the Joint US-Euratom Agreement, which has launched Euratom on a combined power development and research program with a timetable far advanced over that which Euratom could have undertaken by itself. This success, moreover, has proved cumulative. Once hostile to Euratom, Britain has apparently recognized Euratom's leading role in the future nuclear developments on the Continent, and a bilateral accord along lines somewhat similar to the US-Euratom agreement is now being negotiated.

Euratom and EEC Developments

Substantial progress has been made by both Euratom and the Common Market during the year they have been in force. The Euratom and EEC commissions, which to a considerable extent embody the supranational aspects of both projects, have moved rapidly to assert their treaty prerogatives, and President Hallstein is gradually establishing himself as spokesman for the Common Market. The two councils, where policy differences of the member states

Common Market and FTA

The political and economic significance of the Common Market has also been most evident in the foreign field--most notably in the bitter dispute over the Free Trade Area (FTA). Britain's initial failure to obtain an FTA on approximately its own terms, leading to the mid-November suspension of negotiations, apparently resulted from basic miscalculations. At the beginning of the original negotiations to form a Common Market, London underestimated the

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capability of the six EEC countries to reach agreement. It subsequently underestimated the solidarity of the six and their capacity to maintain a common front despite the importance of the FTA to Germany and the Benelux countries; and it misjudged French political influence within the European community.

While the problems posed by the FTA are far from solution, the EEC has nevertheless emerged from the past year of talks stronger in some respects than before. The determination to proceed with the Common Market is thus far unshaken, and the 1 January tariff and quota changes --politically and symbolically so important--are virtually certain to be taken on schedule. Moreover, should the FTA negotiations resume, the EEC Commission is likely to play a more influential role than before. While its influence will probably be in the direction of a less-protectionist EEC, the commission has also demonstrated an intent to preserve Common Market pre-eminence in any larger free trading area group that may result.

Some Broader Implications

There are obviously many potential developments which could reverse the present trend toward Continental solidarity--such as resentment on the part

of the smaller countries against French-German domination of the European community, the reunification and neutralization of Germany, or a sharpening of French or German nationalistic feeling. Nevertheless, some of the emerging problems seem capable of being met by a further strengthening of community institutions. Internally, for example, stronger European institutions would seem the most likely bar to the emergence of monopolies and cartels which would defeat the purpose of the Common Market. Externally, the commissions and the assembly seem the most likely source of solutions to the problems which the consolidation of the communities raises for other European countries and peripheral areas such as Africa.

Progress within the European movement has tended to be cumulative, and the "pro-Europeans" have long held that at some point in the integration process it becomes not only difficult to turn back, but impossible. While it is doubtful that this stage has yet been reached, the increasing tendency among the community countries to "think European"--not only in their relations with each other, but also with the "outside" world--suggests that the lengthy timetable initially foreseen for the achievement of European federation can perhaps be speeded up.

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